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Molycorp Issue Paper

DATE: February 14, 2000

TOPIC: Issues involved in issuance of the NPDES permit for Molycorp

BACKGROUND: Molycorp operates a large molybdenum mine which is located in northern New Mexico approximately twenty miles north of Taos. The facility consists of tailings ponds located west of the town of Questa and the mine site located five miles east of Questa (see attached map). The Red River, which is located adjacent to the mine, has substantial water quality problems due to metals. Acidic seeps from the mine's waste rock piles are thought to contribute to those water quality problems.

CURRENT STATUS: The NPDES permits branch has drafted a permit for Molycorp. Existing discharges from the ground water capture system and treatment plant at the tailings ponds and storm water at the mine are proposed to be continued. Discharges from the seeps at the mine site are proposed to be controlled. The limits are based on treatment technology, thereby eliminating reliance on the more complex water quality issues.

TECHNICAL CONCERNS:

- The seeps must have "direct hydrologic connections" from the waste rock piles to the river to be regulated under an NPDES permit. This has been used in other permits issued by Region 6.
- The geology is fairly complex. The "direct hydrologic connection" determination is likely to be challenged by the permittee.
- The stream segment is listed for violating standards for Aluminum, Copper, Cadmium and Zinc. Also the narrative standard for bottom deposits.
- This is a much cheaper and timely alternative to Superfund listing.

COMMUNITY CONCERNS: A citizens group, Amigos Bravos, has filed suit against EPA for failing to take enforcement action or regulate the seeps under an NPDES permit. There is much local interest in this permit. Superfund is on everyone's minds. There are no direct Tribal issues. No Pueblos are adjacent or directly downstream and they have not expressed interest as yet. There are also no endangered species issues.

FUTURE/RECOMMENDED ACTIONS: We are meeting with Molycorp on February 24 to discuss permitting options for the seeps. Molycorp has expressed a willingness to work with us and discuss solutions. Afterwards we will discuss our plans with NMED and the interested citizens group and proposed a permit.

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